

MOTION BY MAYOR MICHAEL D. ANTONOVICH

February 22, 2011

FULL FINANCIAL AUDIT OF FIRST 5 L.A.

The First 5 L.A. Commission (First 5 L.A.) is a critical resource to improving health, safety and educational opportunities for Los Angeles County's children, from birth to age 5, and their families. Though First 5 L.A. is independent of Los Angeles County, it is uniquely interconnected. Comprised of 13 members, the First 5 L.A. Board of Commissioners includes nine voting and four ex-officio members. The voting membership on the Board of Commissioners includes the Chair, which is a member of the Los Angeles County Board of Supervisors, the County Directors of Mental Health and Public Health; a representative of the Los Angeles County Superintendent of Schools; and five community appointees, each nominated respectively by a member of the Los Angeles County Board of Supervisors. Ex-Officio members each represent County-affiliated bodies in an advisory capacity, contributing their experience and expertise to matters considered by First 5 L.A.

Governor Jerry Brown's recently-released budget proposes to divert up to \$500 million dollars of First 5 L.A.'s current reserves, and approximately \$50 million dollars annually from First 5 L.A.'s future revenues to pay for health services for young children. First 5 L.A. should be able to retain funds it has already legitimately committed to expend; and to reserve funds it has already approved for specific contracts. Given that First 5 L.A. may also be faced with reduced resources in the future, it is critical to ensure that First 5 L.A. is using its available resources for appropriate investments and expenditures, and in the most cost-effective manner possible.

M O R E

FULL FINANCIAL AUDIT OF FIRST 5 L.A.

MOTION

MOLINA _____

RIDLEY-THOMAS _____

YAROSLAVSKY _____

KNABE _____

ANTONOVICH _____

At its February 10, 2011 meeting, First 5 LA's Board of Commissioners established an ad-hoc committee to hire an independent auditor to conduct a complete financial audit of First 5 L.A. to independently verify the total amount of funds that are currently available; the amount of funds that are legally-committed to be spent; as well as funds available for future expenditure. First 5 L.A.'s Board of Commissioners moved that the ad-hoc committee consult with the Los Angeles County Auditor-Controller for the independent audit; and authorized the expenditure of resources necessary to conduct the complete financial audit.

I, THEREFORE, MOVE, that the Los Angeles County Board of Supervisors direct the Auditor-Controller to:

1. Assist First 5 L.A.'s ad-hoc committee in developing a Statement of Work for the independent audit, soliciting proposals for the audit and selecting the auditor, monitoring the work of the independent auditor over the course of the audit, and providing monthly progress reports as well as a final report, both to the Commission and to this Board; and
2. Bill First 5 L.A. for their assistance at the Auditor-Controller's appropriate billing rate, based on the First 5 L.A.'s Board's authorization for the ad-hoc committee to expend the resources necessary to complete the audit.

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MDA:hbb

s/ 2011 motions/ Full Financial Auditor of First 5 L.A.